

Exhibit C

Part 3

EXHIBIT 6

UNDER SEAL

EXHIBIT 7

Blumenthal, Daniel A.

From: NANANDED@aol.com
Sent: Wednesday, January 10, 2007 2:00 PM
To: Hajost, Theresa W.; Jschiavone@budd-lamer.com; Blumenthal, Daniel A.; Jleonard@budd-lamer.com
Cc: abrotter@socal.rr.com; deputy@iicil.org
Subject: Global - Argonaut (QS)

In the Matter of the Arbitration Between	Arthur C. Brotter
Global Reinsurance Corporation	Richard L. White
- U.S. Branch,	Edmond F. Rondepierre
	Umpire
Petitioner,	
- and -	
Argonaut Insurance Company,	
Respondent.	

AWARD

Having considered the submissions and arguments of Counsel, the testimony of witnesses at the hearing and the record in this arbitration a majority of the Panel rules as follows:

The commutation payments that Gerling seeks to cede to Argonaut are not claims, losses nor settlements within the terms or the meaning of the retrocessional agreements. The agreements make no provision for claims submitted in bulk or blanket form, nor for payments on a non risk – specific basis or an estimated basis. The agreements provide no authority for the unilateral acceleration of the retrocessionaires obligations. Argonaut is not required to pay the amounts sought by Global in this arbitration.

This order does not alter Argonaut's obligations under the retrocessional agreements. Argonaut may be obligated to pay claims submitted in the form required by those agreements.

Arthur Brotter

6/15/2007

Edmond F. Rondepierre
Umpire

10 January 2007

DISSENT OF ARBITRATOR RICHARD L. WHITE

Re: Quota Share Retrocession Agreement for Facultative Casualty Business #4158/QS31 ("Quota Share") and First Surplus Facultative Casualty Retrocession Contract #6103/QS73 ("Surplus") [collectively the "Retrocessional Agreements"]

With this Award the majority affirms that the commutation payments which Global seeks to cede to Argonaut are not settlements within the terms or the meaning of the Retrocessional Agreements; I disagree. In my view, the majority's ruling is incorrect because it does not comport with (1) the nature, i.e., the characteristics, of quota share reinsurance generally, (2) the language of the Retrocessional Agreements specifically, in particular the Quota Share agreement, and (3) reinsurance custom and practice.

Quota share reinsurance is proportional reinsurance in which the reinsurer assumes an agreed percentage of each risk insured. Because these parties are reinsurers, the agreed percentage would apply to each facultative risk reinsured. Absent some provision in the contract to the contrary, the loss experience of the reinsurer and retrocessionaire is intended to be proportionally identical.

So congruent is quota share reinsurance that such contracts need only have an accounts and reporting provision to effect payment between contracting parties. In contrast, these Retrocessional Agreements include a Loss Settlements provision which underscores the parties' intention that this reinsurance protection will be something more than the standard "follow the liability of the reinsured" coverage.

Indeed, the coverage augmentation of these loss settlement clauses provides: that the reinsurer (here, the retrocedent, Global), "...alone will settle all claims and such settlements shall under all circumstances be binding on the Retrocessionaires in accordance with the terms of this Agreement." (Quota Share Article VII, 1.) and "All payment of claims made by the Company [Global] will be binding upon the Retrocessionaires." (Surplus Article VIII, B.) [Emphasis added]

Now it is true that unlike the typical commercial contract, reinsurance contract provisions often rely for their understanding on the trade usage and practice of the reinsurance industry. Such custom and practice, however, may amplify contract provisions but it may not contradict those provisions. Consider the Retrocessional Agreements in this dispute. Argonaut presented evidence at the Hearing (albeit disputed by Global) that notice of the commutations was not provided, or if arguably provided, such notice was insufficient. This lack (or insufficiency) and the related retrocessionaire concurrence, it was argued, was fatal to Global's ability to cede the commutation payments.

Evidence was provided that at least twenty-two retrocessionaires reinsured Global on the affected contracts. The majority's ruling doesn't indicate whether a substantial concurrence, say, 25% would have been sufficient to permit billing or if a majority or indeed a supermajority concurrence would have done the job. A fair reading of our Award is that unanimity would be required for Global to successfully bill the commutation payments. This principle of collegiality, as it were, is nowhere in the Retrocessional Agreements. Moreover, there is nothing in the record that remotely suggested custom and practice embraced such unanimity. Indeed, independent of the record in this dispute, it is difficult to imagine a situation where trade usage for a ceded commutation transaction, would require the unanimity of retrocessional concurrence and the inevitable Babel-like communication of so many voices.

The commutation payments in this arbitration, paid in connection with an arms length transaction between Global and certain ceding companies, relieved Global and its retrocessionaires of all liability pursuant to the subject facultative certificates. Despite this extraordinary relief and the explicit loss settlement provisions of the Retrocessional Agreements, our Award sanctions Argonaut's refusal to pay its proportion of the commutation payments. Notwithstanding the high personal regard I have for my co-panelists, I respectfully dissent.

Richard L. White, Arbitrator

Dated: January 10, 2007

6/15/2007

EXHIBIT 8

Blumenthal, Daniel A.

From: NANANDED@aol.com
Sent: Thursday, March 01, 2007 10:29 AM
To: Jschiavone@budd-lamer.com; Hajost, Theresa W.
Cc: deputy@iicil.org
Subject: Global - Argonaut

Barring mistake or ambiguity, the Panel lacks authority to "clarify" its order.

The majority of the former Panel members have reviewed the order, including the majority and dissenting decisions, and each of us has found that there is no mistake or ambiguity and that the order clearly and accurately states the conclusions reached by the Panel.

Edmond F. Rondepierre
Arthur C. Brotter

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AOL now offers free email to everyone. Find out more about what's free from AOL at <http://www.aol.com>.

6/15/2007

In the Matter of the Arbitration Between

Gerling Global Reinsurance Corp. – U.S. Branch
("Global")

Petitioner,

- and -

Argonaut Insurance Company ("Argonaut")

Respondent

Members of the Panel:

Arthur C. Brotter, Arbitrator
Richard L. White, Arbitrator
Edmond J. Rondepierre, Umpire

RESPONSE OF ARBITRATOR RICHARD L. WHITE

Re: Quota Share Retrocession Agreement for Facultative Casualty Business #4158/QS31 ("Quota Share") and First Surplus Facultative Casualty Retrocession Contract #6103/QS73 ("Surplus") [collectively the "Retrocessional Agreements"]

On February 12, 2007 Global submitted its Motion to Clarify the Panel's January 10, 2007 Award. Argonaut responded on February 15th and Global replied on February 22, 2007. Arbitrator Brotter and Umpire Rondepierre respond that their review of the Award indicates no ambiguity therein and accordingly under the doctrine of *functus officio*, the Panel is powerless to act (See Rondepierre email of March 1, 2007).

While I concur with Messrs. Brotter and Rondepierre that there is no ambiguity in the Award as we read it, the parties' motion papers indicate otherwise. Since it is the parties who must implement the award and since both parties cite to my Dissent, I respond to clarify the apparent ambiguity in the terms of my Dissent.

The term "commutation payments" in the Dissent refers to that portion of the Global cash payments pursuant to the commutation agreements between Global and its cedents AIG and Home that were billed to Argonaut under the Retrocessional Agreements and which were the subject of the arbitration before this Panel.

In the insurance and reinsurance industry, commutations discharge a reinsurer's present and future obligations to its cedent with a current consideration, typically a cash payment. The Dissent reflects a conviction that Argonaut is responsible for its share of the Global "commutation payments." The Dissent did not mean that relief from that responsibility by virtue of the Panel's Award, permanently relieved Argonaut of responsibility for the actual value of AIG and Home future claim payments and settlements billed by Global pursuant to the provisions of the Retrocessional Agreements.



Richard L. White
Arbitrator

March 1, 2007

EXHIBIT 9

BUDD LARNER

A PROFESSIONAL CORPORATION
COUNSELLORS AT LAW

150 JOHN F. KENNEDY PARKWAY
SHORT HILLS, NJ 07078-2703
973.379.4800
FAX 973.379.7734
www.buddlerner.com

WRITER'S DIRECT DIAL: (973) 315-4434

WRITER'S DIRECT E-MAIL: jlerner@budd-lerner.com

March 14, 2007

DEMAND FOR ARBITRATION

BY TELECOPIER AND CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Argonaut Insurance Co.
c/o Insurance Run-Off Consultants
8750 West Bryn Mawr, Suite 1300
Chicago, Illinois 60631

Attention: Mr. Donald J. Buyck

Re: In the Matter of the Arbitration Between GLOBAL
Reinsurance Corp. - U.S. Branch and Argonaut
Insurance Co.
First Surplus Contract
Quota Share Contract

Dear Mr. Buyck:

This firm is counsel to GLOBAL Reinsurance Corp. - U.S. Branch ("U.S. Branch"), located at 1345 Avenue of the Americas, New York, New York. U.S. Branch hereby gives notice of its intent to arbitrate against Argonaut Insurance Co. ("Argonaut") all disputed issues relating to the following:

1. Whether, pursuant to the 10 January 2007 Award in the Quota Share Arbitration between the parties, U.S. Branch is entitled to bill Argonaut in the future as claims actually develop on the underlying reinsurance agreements between U.S. Branch and AIG and between U.S. Branch and Home;

2. Whether Argonaut is obliged to process and pay such billings in accordance with the Protocols attached hereto; and

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A PROFESSIONAL CORPORATION

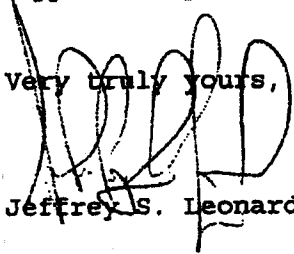
Mr. Donald J. Buyck
March 14, 2007
Page 2

3. Whether Argonaut acted in bad faith by asserting that (a) the 10 January 2007 Award means that U.S. Branch is forever and conclusively foreclosed from seeking any recovery from Argonaut under the retrocessional agreements for any loss of any kind relating to AIG or Home, and (b) it is not obliged to process and pay AIG and Home-related billings in accordance with the Protocols.

In addition, U.S. Branch will seek an award for the full amount due from Argonaut at the time of hearing under the reinsurance contracts referenced above in connection with the underlying reinsurance agreements between U.S. Branch and AIG and between U.S. Branch and Home, and an award of interest, attorneys' fees, punitive damages, and other appropriate relief.

U.S. Branch hereby demands that Argonaut appoint and identify its arbitrator within thirty (30) days. In the event that Argonaut fails to appoint and identify its arbitrator within that time, U.S. Branch will appoint Argonaut's arbitrator on its behalf.

Very truly yours,


Jeffrey S. Leonard

JSL:fc
Enclosure
633495-W

cc: Theresa W. Hajost, Esq. (by E-mail)
Joseph J. Schiavone, Esq.
Virginia A. Pallotto, Esq.

PROTOCOLS FOR PROCESSING CLAIMS INVOLVING AIG AND HOME

1. The procedure for billings on a going forward basis would require Global to continue to handle claims, but this would require a "minimal" level of diligence on Global's part. Audits of Global's cedent would not be required.
2. The concept of follow the settlements would apply.
3. In order for Global to be entitled to bill Argonaut, there would be no requirement that Global pay claims with "new" money; Global would approve claims for payment but not actually pay them. If the approval was appropriate given the "minimal diligence" required of Global, then Argonaut would pay. Global would not be required to obtain bills to it from cedents with which it has commuted.
4. No cap would apply to Global's billings to Argonaut (except as set forth in the applicable retrocessional contracts). Argonaut recognizes that it took a business risk and made a business decision that it did not want the benefit or the burden of the commutation. Accordingly, if Argonaut were billed more on a particular claim than it had been billed as part of the commutation, then the larger amount would be applicable. Similarly, if a claim developed against a contract to which no commutation allocation had been made, this would not be an impediment to recovery. Nor would the total amount paid by Global be a cap on the amounts recoverable from Argonaut.

EXHIBIT 10

**HALLORAN
& SAGE LLP**
ATTORNEYS AT LAW

THERESA W. HAJOST Direct 202 263-4971 hajost@halloran-sage.com
Admitted in Maryland and Washington, DC

April 11, 2007

Via Facsimile and Email

Jeffrey S. Leonard, Esquire
Budd Larner
150 John F. Kennedy Parkway
CN 1000
Short Hills, New Jersey 07078-0999
jleonard@budd-larner.com

Re: In the Matter of the Arbitration Between Global Reinsurance
Corp. - U.S. Branch and Argonaut Insurance Company (First Surplus
Contract and Quota Share Contract)

Dear Mr. Leonard:

This responds to your letter dated March 14, 2007 to Argonaut Insurance Company ("Argonaut") and your subsequent letter of March 26, 2007, apparently sent after you realized that you had incorrectly addressed your March 14, 2007 letter. In responding to those letters, Argonaut does not waive any arguments with regard to the effective date of your arbitration demand.

The "issues" that Global intends to arbitrate are not arbitrable under the arbitration clauses of the contracts referenced in your letters. Argonaut is appointing an arbitrator only to preserve its rights and does not waive its right to request that a court determine whether the "issues" listed by Global are in fact arbitrable.

Argonaut appoints Paul C. Thomson, III as its arbitrator for this matter in the event that it proceeds to arbitration. A copy of Mr. Thomson's ARIAS profile is attached for your convenience.

Very truly yours,


Theresa W. Hajost

TWH/tlc

Attachment

Cc: Paul C. Thomson, III

ARIAS-U.S. Arbitrator

Page 1 of 2

« Previous | 282 of 321 | Next »

Paul C. Thomson
III
Certified Arbitrator



Current Employment

Company: Reassess, Inc.
Position: Insurance and Reinsurance Consultant - Testimonial and consulting expert - Inspection of record and audit work - Portfolio assessment projects - Commutation and due diligent work
Address: 81 Bay Avenue
Halesite, NY 11743-1206
Phone: 631-673-1243
Fax: 631-547-8419
Email: reassess@verizon.net
Website: www.reassessinc.com
Attorney: No

Previous Employment

Company: SOREMA North America Reinsurance Company
(Included Fulcrum Insurance Company)
Position: Vice President, Claims Director

Principal Areas of Insurance/Reinsurance Experience

Claims, contract wording and legal.

Other Information

Approved Arbitrator - International Association of Insurance Receivers (www.IAIR.org). Approved for consulting and testimonial expert witness and audit work by the Liquidation Bureaus of California, Florida and New York. Curriculum vitae listed with the RAA Arbitrators Directory at www.reinsurancearbitrators.com

Years of Experience

Insurance
Company: 6
Reinsurance
Company: 12
Other: Consultant 12

Number of Arbitrations

As an Arbitrator:
83
As an Umpire: 7

Completed Arbitrations (Award Issued)

As an Arbitrator:
23
As an Umpire: 2

Search Keywords

Professional Background

ARIAS U.S. Arbitrator

Page 2 of 2

- Claims Department
- Former Insurance Company Officer
- Former Reinsurance Company Officer

Insurance

- Excess/Surplus Lines

Reinsurance

- Architects & Engineers
- Asbestos
- Directors & Officers
- Employment Practices Liability
- Environmental/Pollution
- Excess/Surplus Lines
- Workers' Compensation

site by

Ecommerce Solutions, Shopping Cart Software, Web Content
Management, Internet Marketing

EXHIBIT 11

04/26/2007 14:16 973-379-8374

BUDD LARNER

PAGE 01/04

190 John F. Kennedy Parkway, CN 1000
Short Hills, New Jersey 07078-0000
(973) 379-4800
(973) 379-7734 (Fax)

Budd Lerner, P.C.

Fax

To: Theresa W. Hajost, Esq. Fax: 202-498-9279

From: Jeffrey S. Leonard, Esq. Pages: 4

Re: In the Matter of the Arbitration Between Date: 4/26/2007
GLOBAL Reinsurance Corp. - U.S.
Branch and Argonaut Insurance Co.
First Surplus Contract
Quota Share contract

C/M #: 7204-31

☐ Urgent ☐ For Review ☐ Please Comment ☐ Please Reply ☐ Please Recycle

• Comments:

IF THERE ARE ANY PROBLEMS IN RECEIVING THIS TELECOPIER MESSAGE, PLEASE CALL THE FOLLOWING NUMBER: (973) 379-4800, EXT. 8488 - Telecopier Operator.

TRANSMITTED _____ AM/PM

BY: _____

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04/26/2007 14:16

973-379-8374

BUDD LARNER

PAGE 82/84

BUDD LARNER

A PROFESSIONAL CORPORATION

COUNSELLORS AT LAW

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FAX 973.379.7754

WWW.BUDDLARNER.COM

WRITER'S DIRECT DIAL: (973) 315-4434

WRITER'S DIRECT E-MAIL: Reprints@buddlerner.com

April 26, 2007

BY TELECOPIER AND FIRST CLASS MAIL

Theresa W. Hajost, Esq.
Halloran & Sage, LLP
1730 Pennsylvania Avenue, NW
Suite 800
Washington, DC 20006

Re: In the Matter of the Arbitration Between GLOBAL
Reinsurance Corp. - U.S. Branch and Argonaut
Insurance Co.
First Surplus Contract
Quota Share Contract

Dear Ms. Hajost:

GLOBAL Reinsurance Corp. - U.S. Branch hereby appoints Richard L. White as its arbitrator in this matter. A copy of Mr. White's CV from the ARIAS website is enclosed. Mr. White will soon contact your client's appointed arbitrator, Paul Thomson, to commence umpire selection.

Very truly yours,


Jeffrey S. Leonard

JSL:fc

638369-W

cc: Mr. Richard L. White (by E-mail)

NEW YORK

CHERRY HILL

SHORT HILLS

PHILADELPHIA

ATLANTA

84/26/2007 14:15 973-379-8374
ARIAS-U.S. Arbitrator

BUDD LARNER

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Richard L. White
Certified Arbitrator

ARIAS
IMPROVING
ARBITRATION U.S.

Personal Information

Address: 58 Pine Blvd.
Cedar Knolls, NJ 07927
Phone: 973-292-2421

Current Employment

Company: Integrity Insurance Company in
Liquidation, XIX Insurance Company in
Rehabilitation

Position: Deputy Liquidator/Deputy Rehabilitator -
Responsible for orderly wind-up of the
Estate's obligations affecting claims
allowance, reinsurance collections and
litigation management.

Address: 49 E. Midland Avenue
Paramus, NJ 07652

Phone: 201-261-8938

Fax: 201-262-0240

Email: deputy@iccl.org

Attorney: No

Previous Employment

Company: The Resolution Group (a subsidiary of
Telegen & Grum & Forster)

Position: Sr. VP, responsible for establishing financial,
systems, and human resources functions for
insurance run-off organizations as a result of
restructuring plan approved by Insurance
Departments of all fifty states.

Credentials

Certified Public Accountant

Principal Areas of Insurance/Reinsurance Experience

Financial (Insurance/Reinsurance); Commutation/Collection of
Reinsurance; Allocation of Reinsurance.

Other Information

Investment Income Chapter: Property-Liability Insurance
Textbook, The College of Insurance 1984; Mealey's Insurance
Insolvency: "Receivership: A Generational Commitment or
Expedient Solution," June 1, 1996; Mealey's Insurance
Insolvency: "Apportionments: A Tonic for Insolventors", October
10, 1996; Mealey's Insurance Insolvency: "Truncation and
Reinsurer Objections," May 7, 1997; Best's Review: What Am I
Bid? - "An Endgame for Receiverships;" Mealey's Environmental
Conference: "Insolvency Claims - The Emperor's Old Clothes,"
November, 1997; Mealey's Litigation Reports: "Reinsurance;
Alternatives to Estimation of Claims and Acceleration of
Reinsurance Recoverables," May 6, 1998; Mealey's Insurance
Insolvency Conference: "Early Closing of Insolvent Insurers,"
Outsourcing to Guaranty Associations, May 2-3, 1998;
Mealey's Reinsurance: "Mid Justice" (under nom de plume
Pollux), March 17, 2005.

Years of Experience

Insurance
Company: 13
Reinsurance
Company: 2
Other: Insolvency for
11 years

Number of Arbitrations

As an Arbitrator: 24
As an Umpire: 28

Completed Arbitrations (Award Issued)

As an Arbitrator: 12
As an Umpire: 13

04/26/2007 14:15 973-379-8374
ARIAS-U.S. Arbitrator

BUDD LARNER

PAGE 04/04
Page 2 of 2

Search Keywords	
Professional Background	
<input type="checkbox"/> Finance Department <input type="checkbox"/> Active Insurance Company Officer <input type="checkbox"/> Former Insurance Company Officer	
Insurance	Reinsurance
<input type="checkbox"/> Asbestos <input type="checkbox"/> Audit <input type="checkbox"/> Commercial Liability <input type="checkbox"/> Commercial Property <input type="checkbox"/> Constructions <input type="checkbox"/> Environmental/Pollution <input type="checkbox"/> Facultative <input type="checkbox"/> Financial Guarantees <input type="checkbox"/> Mergers & Acquisitions <input type="checkbox"/> MGA/MCU <input type="checkbox"/> Product Liability <input type="checkbox"/> Reinsurance <input type="checkbox"/> Retroactive Rating <input type="checkbox"/> Third Party Administrator <input type="checkbox"/> Treaty	<input type="checkbox"/> Audit <input type="checkbox"/> Facultative <input type="checkbox"/> Financial Guarantees <input type="checkbox"/> Product Liability

Site by

Commerce Solutions, Shopping Cart Software, Web Content Management,
Internet Marketing

EXHIBIT 12

**HALLORAN
& SAGE LLP**
ATTORNEYS AT LAW

THERESA W. HAJOST Direct 202 263-4971 hajost@halloran-sage.com
Admitted in Maryland and Washington, DC

May 14, 2007

Via Facsimile and Email

Jeffrey S. Leonard, Esquire
Budd Lamer
150 John F. Kennedy Parkway
CN 1000
Short Hills, New Jersey 07078-0999
jleonard@budd-lamer.com

Re: In the Matter of the Arbitration Between Global Reinsurance
Corp. - U.S. Branch and Argonaut Insurance Company (First Surplus
Contract and Quota Share Contract)

Dear Mr. Leonard:

I have reviewed your letter appointing Richard White as Global's arbitrator in the captioned matter. As Mr. White served as Global's arbitrator in the matter for which Global is seeking review, it is improper for Global to also name him in this matter. Additionally, Mr. White may be called as a witness in this matter. Therefore, Argonaut hereby demands that Global replace Mr. White within thirty (30) days from the date of this letter. In the event that Global does not replace Mr. White, Argonaut will, consistent with the contract terms, appoint an arbitrator on Global's behalf.

As noted in my letter to you of April 11, 2007, Argonaut does not consider Global's demand to be an arbitrable matter. Argonaut continues to reserve its right to request that a court determine whether Global's demand is in fact arbitrable.

Very truly yours,


Theresa W. Hajost

TWH/tlc

Cc: Paul C. Thomson, III

EXHIBIT 13

RECEIVED

MAY 16 2007

GLOBAL REINSURANCE CORPORATION - U.S. BRANCH
 1345 SIXTH AVENUE, 20th FLOOR
 NEW YORK, N. Y. 10105 TELEPHONE NO. (212) 754-7500

ARGONAUT INS CO**STATEMENT OF ACCOUNT**

Re: Contract Description: 6103 FACULTATIVE CASUALTY FIRST SURPLUS

Accounting Period: AIG - May 15, 2007

Underwriting Year: 1973 - 1980

To: ARGONAUT INSURANCE COMPANY
 123 N. WACKER DRIVE, SUITE 2210
 CHICAGO, IL 60606

Date Prepared: May 15, 2007

CURRENCY: U.S. \$	DEBIT	CREDIT
Portfolio Entry/Withdrawal		
Commission on Portfolio Entry/Withdrawal		
Loss Reserve Entry/Withdrawal		
Premiums Written		
Commission @		
Overriding Commission @		
Losses	14,291.87	
Adjustment Expenses	2,722.66	
Federal Excise Tax		
Premium Reserve Deposit		
Loss Reserve Deposit		
Interest on Deposit		
Balance Due (OUR FAVOR)		17,014.53
	\$17,014.53	\$17,014.53

Unearned Premium End of Period

\$0.00

Outstanding Losses End of Period ...

\$244,758.96

\$0.00 IBNR

Total Deposit as of

\$244,758.96

\$0.00 ACR

Please send inquiries to: Joan Burke
 Retro Account Analyst
 Direct #: (212) 821-0490
 Fax #: (212) 821-0459
 and/or: Rina Sorey - Assistant Vice President

GLOBAL REINSURANCE CORP. U.S. BRANCH

15-May-07

6100

FACULTATIVE CASUALTY FIRST SURPLUS

AIG - May 15, 2007

LOSSES	YEARS	100%
	1973	13,098.60
	1974	135,413.65
	1975	43,997.28
	1976	0.00
	1977	0.00
	1978	0.00
	1979	0.00
	1980	0.00
		192,509.53
ADJUSTMENT EXPENSES	1973	15,384.63
	1974	16,091.73
	1975	22,558.50
	1976	0.00
	1977	0.00
	1978	0.00
	1979	0.00
	1980	0.00
		54,034.86
OUTSTANDING LOSSES	1973	172,286.43
		0.00 ACR
	1974	1,967,851.35
		0.00 ACR
	1975	1,925,216.08
		0.00 ACR
	1976	0.00
		0.00 ACR
	1977	0.00
		0.00 ACR
	1978	0.00
		0.00 ACR
	1979	0.00
		0.00 ACR
	1980	0.00
		0.00 ACR
		4,065,353.86

FACULTATIVE CASUALTY FIRST SURPLUS TREATY

AMERICAN INTERNATIONAL GROUP, INC.

Ceding Company	Insured	Certificate	Date of Loss	Claim	GLOBAL Loss this period	GLOBAL Exp this period	Treaty %	Ceded Loss	Ceded Expense	GLOBAL share of Q/S Loss	GLOBAL share of Q/S Exp	Ceded Reserve	Argo Loss Bill	Argo Expense Bill	Argo Reserve	Proportion Cut off (w/a)
LEXINGTON INS	PPG INDUSTRIES AS	7114387	09/24/1973	03598	0.00	8,284.84	0.500	0.00	4,142.32	200.00	0.00	100.00	0.00	310.87	7.60	1
LEXINGTON INS	COMBUSTION ENGINE AS	7115828	09/24/1974	18278	0.00	0.00	0.333	0.00	0.00	5,000,000.00	155,261.83	1,718,420.81	0.00	0.00	128,881.55	1
LEXINGTON INS	FLINTKOTE COMPANY AS	7115888	02/01/1974	04312	287,103.88	38,823.45	0.333	99,034.55	12,941.15	132,862.40	8,000.00	48,287.47	7,427.59	970.59	3,471.98	1
INS CO OF STA	KAISER CEMENT & GYAS	7205492	01/01/1974	15074	0.00	0.00	0.333	0.00	0.00	0.10	425.30	141.80	0.00	0.00	10.84	1
Total					287,103.88	38,823.45		99,034.55	12,941.15	5,132,862.50	161,687.13	1,764,949.88	7,427.59	970.59	132,363.74	
LEXINGTON INS	COMBUSTION ENGINE AS	7115828	09/24/1975	18278	0.00	0.00	0.333	0.00	0.00	5,000,000.00	175,692.98	1,725,231.00	0.00	0.00	78,898.89	222/365
AMERICAN HOME	CORNING GLASS WORKS	7115488	02/01/1975	04187	0.00	0.00	0.500	0.00	0.00	868.87	868.87	868.87	0.00	0.00	45.75	334/365
LEXINGTON INS	FLINTKOTE COMPANY AS	7115888	02/01/1975	04313	63,054.33	5,517.99	0.333	21,018.11	1,839.33	77,958.55	0.00	25,985.92	1,442.48	128.23	1,783.39	334/365
INS CO OF STA	KAISER CEMENT & GYAS	7205492	01/01/1975	08238	0.00	0.00	0.333	0.00	0.00	0.10	98.20	33.10	0.00	0.00	2.48	1
AMERICAN HOME	WESTINGHOUSE ELEC AS	7118738	01/01/1975	04771	0.00	0.00	0.500	0.00	0.00	605.24	1,041.53	823.39	0.00	0.00	61.75	1
Total					63,054.33	5,517.99		21,018.11	1,839.33	5,078,228.58	177,500.38	1,752,738.67	1,442.48	128.23	80,582.27	
NEW HAMPSHIRE	STATE OF CALIFORN HW	7205425	08/20/1973	14531	0.00	0.00	0.500	0.00	0.00	339,000.00	5,372.85	172,188.43	0.00	0.00	12,913.98	1
INS CO OF STA	TELEDYNE INC HW	7205472	11/01/1973	09219	28,187.20	22,484.82	0.500	13,098.60	11,242.31	0.00	0.00	0.00	882.40	843.17	0.00	1
Total					28,187.20	22,484.82		13,098.60	11,242.31	339,000.00	5,372.85	172,188.43	882.40	843.17	12,913.98	
LEXINGTON INS	COTTER CORP HW	7115152	01/01/1974	14724	0.00	0.00	0.250	0.00	0.00	100,000.00	21,978.09	30,494.52	0.00	0.00	2,287.09	1
INS CO OF STA	KAISER INDUSTRIES HW	7205559	01/01/1974	09294	0.00	0.00	0.333	0.00	0.00	8.10	327.90	111.33	0.00	0.00	8.35	1
NEW HAMPSHIRE	STATE OF CALIFORN HW	7205425	08/20/1974	14633	0.00	0.00	0.500	0.00	0.00	339,000.00	5,791.23	172,385.62	0.00	0.00	12,928.87	1
INS CO OF STA	TELEDYNE INC HW	7205472	11/01/1974	09220	27,133.20	112.40	0.500	13,586.80	58.20	0.00	0.00	0.00	1,017.50	4.22	0.00	1
NEW HAMPSHIRE	TEXACO INC ET AL HW	7205521	01/01/1974	14784	45,825.00	8,188.78	0.500	22,812.50	3,094.38	0.00	0.00	0.00	1,710.94	232.08	0.00	1
Total					72,758.20	8,301.18		36,379.10	3,150.58	439,008.10	28,097.22	203,001.47	2,728.43	236.29	15,225.11	
INS CO OF STA	KAISER INDUSTRIES HW	7205559	01/01/1975	15284	0.00	0.00	0.333	0.00	0.00	8.10	327.90	111.33	0.00	0.00	8.35	1
NEW HAMPSHIRE	STATE OF CALIFORN HW	7205425	08/20/1975	14535	0.00	0.00	0.500	0.00	0.00	339,000.00	5,730.15	172,385.08	0.00	0.00	3,648.00	103/365
NEW HAMPSHIRE	TEXACO INC ET AL HW	7205521	01/01/1975	14977	48,825.00	8,188.78	0.500	22,812.50	3,094.38	0.00	0.00	0.00	1,710.94	232.08	0.00	1
INS CO OF STA	TEXAS EASTERN TRA HW	7206100	12/31/1975	09484	888.67	70,488.16	0.250	188.67	17,624.79	0.00	0.00	0.00	0.03	3.62	0.00	1/365
Total					48,291.67	78,687.92		22,979.17	20,719.17	339,008.10	8,058.06	172,478.41	1,710.97	235.70	3,858.35	
Reins 8103 Totals					605,405.06	158,098.77		192,509.53	54,034.86	11,329,303.26	378,715.83	4,085,363.85	14,291.87	2,722.88	244,758.98	

GLOBAL REINSURANCE CORPORATION - U.S. BRANCH
1345 SIXTH AVENUE, 20th FLOOR
NEW YORK, N. Y. 10105 TELEPHONE NO. (212) 754-7500

STATEMENT OF ACCOUNT

Re: Contract Description: 6103 FACULTATIVE CASUALTY FIRST SURPLUS

Accounting Period: HOME INS. May 15, 2007

Underwriting Year: 1973 - 1980

To: ARGONAUT INSURANCE COMPANY
123 N. WACKER DRIVE, SUITE 2210
CHICAGO, IL 60606

Date Prepared: May 15, 2007

CURRENCY: U.S. \$	DEBIT	CREDIT
Portfolio Entry/Withdrawal		
Commission on Portfolio Entry/Withdrawal		
Loss Reserve Entry/Withdrawal		
Premiums Written		
Commission @		
Overriding Commission @		
Losses	28,031.62	
Adjustment Expenses	788.15	
Federal Excise Tax		
Premium Reserve Deposit		
Loss Reserve Deposit		
Interest on Deposit		
Balance Due (OUR FAVOR)		28,819.77
	28,819.77	28,819.77

Unearned Premium End of Period ____

\$0.00

Outstanding Losses End of Period ...

\$56,526.03

\$0.00 IBNR

Total Deposit as of

\$56,526.03

\$0.00 ACR

Please send inquiries to: Joan Burke
Retro Account Analyst

Direct #: (212) 821-0490

Fax #: (212) 821-0459

and/or: Rina Sorey - Assistant Vice President

GLOBAL REINSURANCE CORP. U.S. BRANCH

15-May-07

6100

FACULTATIVE CASUALTY FIRST SURPLUS

Home Ins. Co. -

May 15, 2007

LOSSES	YEARS	100%
	1973	283,268.04
	1974	39,204.25
	1975	68,518.10
	1976	0.00
	1977	0.00
	1978	0.00
	1979	0.00
	1980	0.00
		390,990.39
ADJUSTMENT EXPENSES	1973	9,396.14
	1974	0.00
	1975	2,654.09
	1976	0.00
	1977	0.00
	1978	0.00
	1979	0.00
	1980	0.00
		12,050.23
OUTSTANDING LOSSES	1973	131,237.50
		0.00 ACR
	1974	272,750.65
		0.00 ACR
	1975	437,106.56
		0.00 ACR
	1976	0.00
		0.00 ACR
	1977	0.00
		0.00 ACR
	1978	0.00
		0.00 ACR
	1979	0.00
		0.00 ACR
	1980	0.00
		0.00 ACR
		841,094.71

FACULTATIVE CASUALTY FIRST SURPLUS TREATY

HOME INSURANCE COMPANY

Ceding Company	Insured	Certificate	Date of Loss	Claim	GLOBAL Loss this period	GLOBAL Exp this period	Treaty %	Ceded Loss	Ceded Expense	GLOBAL share of O/S Loss	GLOBAL share of O/S Exp	Ceded Reserve	Argo Loss	Argo Expense	Argo Reserve	Proportion Out of (w/o)
HOME INSURANCE	GENERAL DYNAMICS AS	7114028	07/01/1973	03324	80,937.80	0.00	0.500	34,968.75	0.00	220,807.00	0.00	110,303.80	2,622.86	0.00	8,272.76	1
HOME INSURANCE	GENERAL DYNAMICS AS	7114028	07/01/1974	03325	78,408.50	0.00	0.500	38,204.25	0.00	212,136.00	0.00	106,068.00	2,940.32	0.00	7,955.10	1
HOME INSURANCE	GENERAL DYNAMICS AS	7114028	7/1/1975	03326	89,515.00	0.00	0.500	34,756.50	0.00	221,031.80	0.00	110,515.75	1,314.08	0.00	4,178.40	184/385
HOME INSURANCE	FLORIDA POWER AND GL	7116308	05/02/1976	04577	0.00	0.00	0.500	0.00	0.00	11,232.88	2.21	5,617.44	0.00	0.00	421.31	n/a
HOME INSURANCE	AMERICAN HOME P HW Boyle-Midway	7114088	07/01/1973	16769	0.00	0.00	0.500	0.00	0.00	3,768.58	0.00	1,883.28	0.00	0.00	141.25	1
HOME INSURANCE	AMERICAN HOME P HW CHEMSOL, NJ	7114088	07/01/1973	16820	0.00	0.00	0.500	0.00	0.00	281.44	0.00	130.72	0.00	0.00	9.80	1
HOME INSURANCE	AMERICAN HOME P HW Harmon Haledor	7114088	07/01/1973	16774	0.00	0.00	0.500	0.00	0.00	12,628.00	0.00	6,314.50	0.00	0.00	473.89	1
HOME INSURANCE	AMERICAN HOME P HW Ninth Ave Dump	7114088	07/01/1973	16920	0.00	0.00	0.500	0.00	0.00	1,368.67	0.00	684.33	0.00	0.00	51.33	1
HOME INSURANCE	AMERICAN HOME P HW Tysons Lagoon	7114088	07/01/1973	16775	0.00	0.00	0.500	0.00	0.00	23,842.33	0.00	11,921.17	0.00	0.00	894.09	1
HOME INSURANCE	AMERICAN TEL HW - EDM	7114186	10/15/1973	03484	278,827.84	8,738.21	0.200	85,365.51	1,947.24	0.00	0.00	0.00	4,162.41	148.04	0.00	1
HOME INSURANCE	AMERICAN TEL HW - Haleys	7114186	10/15/1973	03482	278,393.65	16,288.82	0.200	65,278.73	3,057.78	0.00	0.00	0.00	4,148.90	229.33	0.00	1
HOME INSURANCE	AMERICAN TEL HW - M & W	7114186	10/15/1973	03483	888,275.27	21,955.68	0.200	137,655.05	4,391.14	0.00	0.00	0.00	10,324.13	329.34	0.00	1
Total					1,241,498.48	48,988.71		248,299.28	9,398.14	41,868.00	0.00	20,934.00	18,622.46	704.71	1,570.05	
HOME INSURANCE	AMERICAN HOME P HW Boyle-Midway	7115784	07/01/1974	16768	0.00	0.00	0.500	0.00	0.00	3,768.58	0.00	1,883.28	0.00	0.00	141.25	1
HOME INSURANCE	AMERICAN HOME P HW Chemical Centro	7115784	07/01/1974	16922	0.00	0.00	0.500	0.00	0.00	1,928.67	0.00	964.33	0.00	0.00	72.25	1
HOME INSURANCE	AMERICAN HOME P HW CHEMSOL, NJ	7115784	07/01/1974	16922	0.00	0.00	0.500	0.00	0.00	281.44	0.00	130.72	0.00	0.00	9.80	1
HOME INSURANCE	AMERICAN HOME P HW Harmon Haledor	7115784	07/01/1974	16774	0.00	0.00	0.500	0.00	0.00	12,628.00	0.00	6,314.50	0.00	0.00	473.89	1
HOME INSURANCE	AMERICAN HOME P HW Ninth Ave Dump	7115784	07/01/1974	16922	0.00	0.00	0.500	0.00	0.00	1,368.67	0.00	684.33	0.00	0.00	51.33	1
HOME INSURANCE	AMERICAN HOME P HW Tysons Lagoon	7115784	07/01/1974	16773	0.00	0.00	0.500	0.00	0.00	23,842.33	0.00	11,921.17	0.00	0.00	894.09	1
Total					0.00	0.00		0.00	0.00	43,794.87	0.00	21,897.33	0.00	0.00	1,842.30	
HOME INSURANCE	ROHM AND HAAS HW Liped	7116383	03/01/1976	16816	0.00	0.00	0.500	0.00	0.00	198,000.00	0.00	99,000.00	0.00	0.00	8,224.79	308/385
HOME INSURANCE	ROHM AND HAAS HW Woodlands	7116383	03/01/1976	16898	0.00	0.00	0.500	0.00	0.00	80,950.28	0.00	25,478.44	0.00	0.00	1,602.08	308/385
HOME INSURANCE	ROHM AND HAAS HW Phila.	7116383	03/01/1976	16817	0.00	0.00	0.500	0.00	0.00	80,707.43	0.00	40,353.71	0.00	0.00	2,537.31	308/385
HOME INSURANCE	ROHM AND HAAS HW Bristol	7116383	03/01/1976	04636	0.00	0.00	0.500	0.00	0.00	73,819.71	0.00	36,909.86	0.00	0.00	2,320.77	308/385
HOME INSURANCE	SYNTEX CORP HW	7114083	08/01/1975	03380	0.00	5,308.18	0.600	0.00	2,854.09	0.00	0.00	0.00	0.00	83.44	0.00	163/385
Total					0.00	5,308.18		0.00	2,854.09	403,488.43	0.00	201,743.21	0.00	83.44	12,684.95	
HOME INSURANCE	ASHLAND OIL & REF MT	7114821	12/01/1973	15419	0.00	0.00	0.333	0.00	0.00	0.20	0.00	0.07	0.00	0.00	0.01	1
HOME INSURANCE	ASHLAND OIL & REF MT	7114821	12/01/1974	15420	0.00	0.00	0.333	0.00	0.00	0.20	0.00	0.07	0.00	0.00	0.01	1
HOME INSURANCE	ABBOTT LABORATORI DE	7114822	01/01/1974	03686	0.00	0.00	0.500	0.00	0.00	200.00	0.00	100.00	0.00	0.00	7.50	1
HOME INSURANCE	SQUIBB CORP ET AL DE	7114823	01/01/1974	03682	0.00	0.00	0.500	0.00	0.00	289,570.50	0.00	144,885.26	0.00	0.00	10,851.39	1
Total					0.00	0.00		0.00	0.00	289,570.70	0.00	144,785.32	0.00	0.00	10,858.90	
HOME INSURANCE	ASHLAND OIL & REF MT	7116345	02/01/1975	16860	0.00	0.00	0.500	0.00	0.00	0.20	0.00	0.10	0.00	0.00	0.01	334/385
HOME INSURANCE	ABBOTT LABORATORI DE	7114822	01/01/1975	03686	0.00	0.00	0.500	0.00	0.00	200.00	0.00	100.00	0.00	0.00	7.50	1
HOME INSURANCE	SQUIBB CORP ET AL DE	7114823	01/01/1975	03683	67,623.19	0.00	0.600	33,781.60	0.00	238,280.13	0.00	119,130.06	2,532.12	0.00	8,934.76	1
Total					67,623.19	0.00		33,781.60	0.00	238,480.33	0.00	119,230.16	2,532.12	0.00	8,942.26	
Reiro 6103 Totals					1,628,878.85	52,288.89		390,890.39	12,050.23	1,682,187.30	2.21	841,064.72	28,031.62	788.15	58,628.03	